

105
103
DEPARTMENT OF OVERSEAS TRADE.

REPORT
ON THE
ECONOMIC AND FINANCIAL SITUATION
OF
EGYPT
FOR
1919.

BY
Mr. E. H. MULOCK,
H.M. COMMERCIAL AGENT, CAIRO.

Presented to Parliament by Command of His Majesty.



LONDON:
PRINTED AND PUBLISHED BY
HIS MAJESTY'S STATIONERY OFFICE.
To be purchased through any Bookseller or directly from
H.M. STATIONERY OFFICE at the following addresses:
IMPERIAL HOUSE, KINGSWAY, LONDON, W.C.2, and
25, ABINGDON STREET, LONDON, S.W.1;
37, PETER STREET, MANCHESTER;
1, ST. ANDREW'S CRESCENT, CARDIFF;
23, FORTH STREET, EDINBURGH;
or from E. PONSONBY, LTD., 116, GRAFTON STREET, DUBLIN

1920.

[Cmd. 843.] Price 3d. Net.

CONTENTS.

	Page.
1. Economic and Financial Situation... ..	4
2. Natural Resources	6
3. Industry and Production	7
4. Trade	10
5. Administration	19
6. Social Legislation	20
7. Transport	21
Appendices.—No. I. Mineral Production of Egypt, 1913–1918	23
No. II. Index number of wholesale prices in Cairo and Alexandria for the months of December 1917, 1918 and 1919	24

TABLE OF LOCAL CURRENCY, WEIGHTS AND MEASURES most in use in Egypt, and their British equivalents.

1 Kilogramme	=	2.226 Rotls or .801 Oke	=	2.205 lbs.
1 Metric Ton	=	22.258 Cantars	...	= 19.684 cwt.
1 Cantar*	...	= 100 Rotls	...	= 99.0493 lbs.
1 Rotl	...	= 144 Dirhems	...	= 0.9905 lbs.
1 Oke	...	= 400 Dirhems	...	= 2.75137 lbs.
1 Heml	...	= 200 Okes	...	= 550.274 lbs.
1 Ardeb†	...	= 96 Kadahs	...	= 43.555 gallons or 5.444 bushels.
1 Keila	...	= 8 Kadahs	...	= 3.63 gallons.
1 Rob	...	= 4 Kadahs	...	= 1.815 gallons.
1 Kadah	...	= $\frac{1}{96}$ Ardeb	...	= 3.630 pints.
1 Feddân	...	= 24 Kirats	...	= 5,024.16 square yards or 1,038 acres.
1 £E. (Egyptian Pound)	...	= 100 PT. (Piastres Tariff) 1000 Milliemes	=	£stg. 1.0s. 6.154d. (at par i.e. 97.5 PT. to £stg.)
1 Tallari (\$)	=	20 Piastres Tariff	...	= 4s. 1½d.

* 1 Cantar of unginned cotton = 315 lbs., and of ginned cotton 100 lbs.

† Approximate weight of an "Ardeb" of various seeds:—

Wheat 150 kilos.	Barley 120 kilos.	Lentils 157 kilos (whole)
Beans 155 kilos.	Maize 140 kilos.	„ 132 kilos (split)..

		Weights approx.
1 Bale of steam pressed cotton	...	7.75 Cantars
1 Bale of cotton pressed hydraulically	...	8.50 „
1 Ardeb of cotton seed	...	270 Rotls or 267 lbs.
8½ Ardebs of cotton seed	...	1 ton
3 Bales of steam pressed cotton	...	1 ton 85 lbs.

N.B.—In Egypt liquids are often bought and sold by weight, and there are no special Arabic liquid measures.

1.—ECONOMIC AND FINANCIAL SITUATION.

The financial situation of Egypt is a flourishing one as a consequence of (1) the excess of exports over imports for the years 1913-1917 and 1919, (2) the considerable addition to the amount of money circulating in the country as a result of the presence during the war of a large Expeditionary Force, (3) the fortunes made by speculators in uncontrolled commodities required by the authorities, and (4) the phenomenal rise in the value of cotton, *viz.*, from \$57.50 per cantar for Sakellarides F.G.F. on 5th September, 1919, to \$100 on 31st December.

The result of the soaring prices of cotton has been to induce those who have made money to purchase cotton lands at high prices. For this land sums as high as £E400-500 per feddan are frequently paid, seriously affecting those of the fellaheen to whom the big landowners let their land for the period of the cotton crop at a rental which depends on the price of cotton.

In 1917, the latest year concerning which statistics of landed property are available, ownership of land was distributed as follows:—4,773,050 feddans owned by 1,662,803 natives, the balance of the total area of 5,486,155 feddans being the property of 8,242 Europeans. Of the total number of native landlords, 1,044,371 owned up to one feddan and 476,910 up to 5 feddans, leaving only 141,522 native owners of estates from upwards of 5 to upwards of 50 feddans each. It will thus be seen that the small holders are greatly in the majority, and that their number is considerable, but it must be remembered that they constitute (assuming the 1917 figures to be applicable to 1919) only one tenth of the total native population of Egypt, so that the industrial, professional and agricultural elements who do not own land have not benefited by the rise in the price of cotton.

The high and rising prices of cotton, both for the existing 1919-20 crop and for the unsown 1920-21 crop, naturally tempted landowners and cotton-growers to prepare for the sowing of cotton in February to April, 1920, the land which they would otherwise be sowing (*i.e.*, in November, 1919) with wheat, barley, bersim and beans, and in many cases where the winter cereal crops were already in the ground, even to plough it up. However, in order to meet the needs of the country in wheat the Government has decided to levy a tax of P.T. 35 per cantar on ginned cotton, which is to come into force as a temporary measure in October, 1920, and is estimated to produce roughly £E2,000,000, against which must be offset whatever loss is entailed by the sale at cost price of the Government flour purchased from Australia.

In September, 1919, an addition to revenue took the form of the increase of the duty on imported leaf tobacco to P.T.50 per kilo, the drawback on re-exports, viz., cigarettes, remaining constant at 50 per cent. of the import duty. The result has been an increase in the price of cigarettes and a diminution of their size.

Financial enterprise by natives has taken the following forms :—

- (1) A project for a native bank conducted entirely by Egyptians was mooted in 1919, but it has not yet materialised, though this is not the first time such a venture has been attempted.
 - (2) A firm of cotton exporters, whose shares are entirely in native hands, was inaugurated in September, 1919, and has begun very well.
 - (3) A co-operative society at Kena established in September, 1919, has been most successful in providing foodstuffs, clothing, boots and shoes, and household utensils at prices lower than those at local and Cairo shops.
 - (4) Buying cotton contracts at the Alexandria Bourse.
-

2.—NATURAL RESOURCES.

Agricultural.

The principal crop of Egypt is of course cotton, which in normal years occupies about 22 per cent. of the cultivated area in Egypt, and produces therefrom an annual average of about 7 million cantars (roughly 315,000 tons). Besides this nearly enough cereals can be grown to feed a population of 12 millions (based on the census for 1907) as well as fodder crops for a large number of cattle. During the war the need for cereals necessitated the restriction of cotton cultivation to 33 per cent. of the whole area in the holding of any cotton grower.

The exports of agricultural produce other than cotton are comparatively small, but barley, beans, ground nuts, maize, onions, rice, wheat and raw wool, as well as vegetables and fruit, are exported, and since 1917 raw flax has been added to Egypt's exports.

The export of vegetables and fruit is capable of increase and extension, as the following are among the most important kinds cultivated in Egypt, *viz.*, artichokes, aubergines, cabbages, cauliflowers, lettuce, onions, shallots, and tomatoes; and apricots, bananas, dates, figs, grapes, guaves, limes, mangoes, melons, oranges and tangerines. Of the foregoing, onions, tomatoes and dates are the most important yearly exports, while in 1913 artichokes, cabbages, potatoes and other unclassified vegetables, as well as bananas and oranges, were also exported in varying but smaller quantities, chiefly to Turkey.

Mineral.

Statistics are not available for 1919 as to the extent of the mineral production of Egypt, but the annexed table (Appendix I.) gives the figures for the years 1913-1918 inclusive.

In addition to these the following minerals, metals, and precious stones are at present being exploited or developed on a commercial scale:—Building stones, clay, gypsum, natron, nitrate of soda, salt and turquoise; but no facilities exist for procuring accurate statistics of productions. Besides the above mentioned, the following minerals are known to exist in more or less important quantities:—Alum, copper ores, emeralds (beryl), granite, iron ores, ornamental stones, and sulphur.

From the figures for the export of minerals and metals in 1918 one may form a rough idea of the supplies available by the end

of that year, and in the table below the figures for 1919 are also given as a matter of interest :—

Item.	Unit.	1918.		1919.	
		Quantity.	Value in £E	Quantity.	Value in £E.
Phosphates ...	M. Tons	9,346	19,914	78,525	156,730
Petroleum ... (Kerosene)	Do.	1,275	17,279	1,093	17,921
Metallic Ores ...	Do.	9,445	9,209	42,574	76,052
Gold Ingots ...	Grammes	548,423	58,319	261,485	30,053
Carbonate of Soda	Kilogs.	114,729	4,589	not available	not available
Natron ...	Do.	1,301,683	13,951	469,805	3,117
Salt ...	M. Tons	243,762	37,530	227,293	56,023

NOTE.—Metallic Ores presumably includes Manganese Iron Ore, Lead and Zinc Ores, and Nickel Ore, as these are not specifically mentioned in the Customs statistics for 1918, which also make no mention of Peridote, Nitrate Shale, Ochres or any of the Sulphates figuring in the annexed table of Mineral Production.

There are large quantities of manganese ores in the Sinai region.

The stocks of crude oil and fuel held by the Egyptian oilfields on 27th October, 1919, amounted in all to 27, 219 tons, while the total exports of kerosene and mazout for the year 1919, amounted to 10,427 metric tons.

3.—INDUSTRY AND PRODUCTION.

Supplies of Raw Material.

Statistics for the year 1919 are not available in time for this report (in January), but data will be found under “Exports,” “Agriculture,” and “Mineral Resources.”

Fuel Shortage and its Effects.

Owners and users of engines, whether for commercial, industrial or agricultural purposes, are wondering where their fuel is coming from now that cottonseed cake is no longer available, coal so expensive and hard to obtain, and the supply of Egyptian mazout so uncertain. As early in 1918 there were 11,100 engines of all kinds of 50 I.H.P. upwards, driven by steam, kerosene, crude oil, or suction gas, and as the steam engines (which amounted to nearly 70 per cent. of the total number) were then burning fuels of such various kinds as coal, cotton, cotton cake, oil fuel, vegetable refuse, wood and mixed fuel, the withdrawal of

two and the difficulty of obtaining three of these combustibles are very serious considerations.

The supply of cotton sticks, which run to about 1 ton per feddan, and which proved their value as fuel during the war, will probably be large owing to the increased acreage under cotton, but wheat and maize straw, if their use is allowed, in view of their consumption during the war for portable engines especially, will probably be short for the same reason.

The amount of fuel required depends, in the case of engines working pumps, on the Nile flood, which if high, reduces their work, but in view of the conversion during the war of large numbers of engines of all kinds to the use of oil fuel, and the necessity for reconverting to coal in order to cope with the threatened shortage of mazout, the solution of the fuel problem would seem to be the importation of crude oil or the problematical alternative of obtaining coal at satisfactory prices.

The former alternative is the most practical so long as coal costs more than mazout, since 2 tons of the latter used with burners are equal to about 3 tons of the former, and 1,173,000 tons of coal or their equivalent are needed annually for the steam engines alone.

Labour.

A Syndicalist movement, strikes, which were practically unknown in Egypt (with the exception of one in 1918 and one in 1911), and the formation on 18th August, 1919, of the Labour Disputes Conciliation Board, constitute the most important recent developments in the sphere of labour during 1919.

The strike infection spread so rapidly that by the end of November, 1919, there were few trades and industries which had not been affected, and the number of Labour Syndicates and Trade Unions that came into being rose to 17 in Alexandria (one of them being an affiliation of 24 different trades, called the Syndicat des Ouvriers), 21 in Cairo and 4 in Tantah, while strikes affecting more than two dozen different industries were settled by the Labour Conciliation Board alone, chiefly in Alexandria and Cairo.

In a good many cases there was an economic reason for these strikes, as wages had not risen with the upward flight of the cost of living (except in cases where the employers had already granted allowances for the increase in this), and the conditions of labour in Egypt left a good deal to be desired until their amelioration was effected and the strikes settled either by the intervention of the Conciliation Board or direct negotiations between the masters and men.

The general effect on wages was an increase of 100-125 per cent. over pre-war scale, which was fairly proportioned to the rise in the cost of living by the end of November, 1919.

It is difficult to determine the extent to which Syndicalism on the part of the native labour element is likely to become a force in Egypt; on the one hand the mutual distrust prevailing among the men themselves which is not conducive to the selection either of delegates or of treasurers of strike funds, and the fact that a considerable proportion of the labour employed at Alexandria is casual and seasonal, militate against the possibility of real trades' union organisation among native workmen; on the other hand, in trades and industries where there is a majority, or even a leaven of European employees or workmen, the Syndicalist movement is naturally more pronounced. since an educated minority is sufficient to counterbalance the fact that the average native workman is only slightly educated, if at all, and to ensure a more or less reasoned presentation of the workers' claims. However, it is to be hoped that the success of the Conciliation Board in meeting the brunt of the first strike wave will be repeated in dealing with subsequent strikes, and that they will be curtailed, where they cannot be averted, by the men's use of it as a forum where they can air their grievances and obtain an impartial hearing of their demands and explanations.

That the relations between masters and men have greatly improved is shown by the fact that several strikes have been curtailed and even averted by personal and direct negotiations between the two parties; and the adoption by enlightened employers of co-operative schemes for furnishing the men with foodstuffs and clothing at reasonable prices should do much to forestall demands for increased wages to meet the increased cost of living. Schemes of this kind, however, are attended by difficulties in the case of employers who depend to a considerable extent on casual labour, as the men engaged under this category do not appear on the regular pay sheets, and the fluctuations in their numbers, depending as they do on the needs of the moment would make it impossible to fix, on any given date or for any given period, the number of men to be catered for under any co-operative scheme.

The casual element in labour in Alexandria had the curious effect of helping to prolong one strike and averting the possibility of another, as several of the employees of the Alexandria-Ramleh Tramway Company who were out for over six weeks on one occasion, found employment in the cotton industry, and were consequently indifferent to the duration of the strike.

Otherwise, in normal times, the supply of casual labour depends to a great extent on the annual influx from Upper Egypt of men who come down to Alexandria for the winter, when the demands of the various branches of the cotton export industry cannot be met by the locally available supply of labour, and return to work

in the fields and on drain cutting, etc., up-country as soon as the cotton and seed season is over. This year, however, they are so well off in Alexandria that they show no inclination to return to Upper Egypt.

In the country districts there has been no labour trouble as the cost of living has not risen as it has in the towns, and the rise of wages, though it has been more gradual, shows an average increase over previous rates of 100 per cent. and upwards in the various classes of agricultural labour. In some classes this increase has come about since 1917, as for instance in the case of contracted labour for cutting drains, the cost of which per cubic metre has gone up from 8 millimes to 20 millimes, while the daily wage for drain cleaning in non-congested districts in one province has risen from P.T.4½ to P.T.11, and in another to P.T.15.

In the non-congested districts the supply of labour is always scarce and sporadic, but particularly so in the 1919-20 season owing to the high price of cotton claiming more of the fellah's time. Employers of labour, therefore, have to contract for labour by the day, especially where land reclamation is in progress, and the contractor's 10 per cent. commission and the men's food and travelling expenses, in addition to increased wages for such labour, make land reclamation considerably more costly than it was three years ago.

The average wage of resident farm labourers, *i.e.*, not imported under contract, rose from P.T.4½ per day in 1913 to P.T.7½ in 1918, while imported labour rose to P.T.8½.

Even on large properties, *e.g.*, 2,000 feddans and upwards, in the congested districts, where the density of the population is adequate for a sufficient labour supply, imported labour is essential for cotton picking, rice-weeding, etc., as this is work that men cannot do, and for which children are required, the local adult male labour available being required for ploughing, irrigation, etc.

The result is that children's wages have risen to P.T.8-10 per day, and that, whereas before the war cotton picking cost P.T.15 per cantar paid by weight, it now costs P.T.100-150 per cantar paid by the day.

4.—TRADE OF THE UNITED KINGDOM WITH EGYPT IN 1919.

Imports.

The British share of the total import trade of Egypt during the year 1919 amounted to 46 per cent., the actual figures being £F21,840,957 out of a total from all countries of £47,409,717.

The British percentage for the year under review is below the average for the complete years 1915-1918, but above that for the years 1913-1918 as will be seen from the following table :—

Year.	Total Imports,	Share of United Kingdom.	British Percentage.
	£E.	£E.	
1913	27,865,195	8,496,483	30·5
1914	21,724,606	7,061,405	32·5
1915	19,328,993	8,740,448	45·2
1916	30,886,888	15,070,182	48·8
1917	33,175,139	14,129,046	42·6
1918	51,155,306	27,077,635	53·0
Average	30,689,354	13,429,200	43·7
1919	47,409,717	21,840,957	46·1

The shares of the British Overseas Dominion in the import trade of Egypt during the years 1918 and 1919 respectively were as follows :—(value in £E).

Year.	Australia and New Zealand.	British India.	British Med. Possessions.	Other British Poss. in Far East.	British Poss. in Africa.	Canada.
1918	2,475,648	4,094,489	282,573	492,347	534,336	3,730
1919	1,848,623	2,348,624	435,572	597,851	502,142	33,520

The total imports from the British Overseas Dominions added to those from the United Kingdom thus make the British Empire's share of the total import trade of Egypt during 1919 amount to £E27,607,951 out of £E47,409,717, or more than 58 per cent.

The principal imports from Australia and New Zealand in 1919 were frozen meat, wheat flour and condensed milk; from British India, coffee, cocoanut oil, natural indigo, cotton yarn, jute piece goods and sacks, leaf tobacco and tobacc; from British Mediterranean Possessions, potatoes, fruit, locust beans and wine; from British Possessions in the Far East, caseboards, cocoanuts, tea, pepper and coconut oil; from British Possessions in Africa, coal and coffee, and from Canada, photographic films, spirits and wheat flour.

Comparison between the import trade of Egypt in 1919 and previous years is rendered impossible in the case of a large number of articles as a result of their reclassification in April, 1919, in conformity with the Customs statistics of the United Kingdom.

It will be seen from the above table of imports for the complete years 1913 to 1918 inclusive that those of the year 1918 exceeded those of 1917 by over 54 per cent., and it may be of interest to note the reasons for that increase, which resulted in making 1918 the only one of those 6 years in which the balance of trade was against Egypt.

The following table will show that only 2 out of the 15 categories of imports in 1918 fell below those of 1917 in value (£E) :—

Category.	1917.	1918.	Increase or Decrease.
i. Animal and Food Products ...	1 663,637	2,293,465	+ 629,828
ii. Hides, Skins and Leather... ..	301,427	501,431	+ 200,004
iii. Other Animal Products	105,209	135,518	+ 30,309
iv. Cereals, Vegetables and Flour ...	1,545,429	1,361,805	— 183,624
v. Colonial Products	1,469,885	2,110,604	+ 640,719
vi. Spirits, Beverages and Oil	3,188,765	4,737,127	+ 1,548,362
vii. Rags, Paper and Printed Matter...	548,748	1,658,666	+ 1,109,918
viii. Wood and Coal	3,589,217	5,415,661	+ 1,826,444
ix. Stone, Earthenware and Glass ...	358,538	730,476	+ 371,938
x. Dyestuffs and Colours	427,316	580,024	+ 152,708
xi. Chemical and Medicinal Products	1,606,097	1,880,381	+ 274,284
xii. Textiles and Yarns	11,722,609	22,190,210	+10,467,601
xiii. Metals and Metalware	1,569,082	2,858,704	+ 1,289,622
xiv. Miscellaneous	2,038,739	1,600,305	— 438,434
Tobacco	3,040,441	3,100,929	+ 60,488
Total	33,175,139	51,155,306	17,980,167

The totals for the year 1919 under review compare favourably with those for the whole of 1917. The respective shares of the United Kingdom in each category are given as well :—

Imports in 1919.

Category.	Total Value.	Share of United Kingdom.	Consisting chiefly of
	£E.	£E.	£E.
i. Animal and Food Products	1,704,107	120,494	Salted Herrings 43,254
ii. Hides, Skins and Leather Goods ...	762,178	218,124	{ Boots and Shoes 91,166
iii. Other Animal Products	49,155	6,626	{ Machine Belting 66,428
iv. Cereals, Flour and Agricultural Produce	2,262,992	21,930	—
v. Colonial Produce	1,811,512	84,062	{ Chocolates ... 23,550
vi. Spirits, Beverages and Oils, &c. ...	4,251,329	528,608	{ Biscuits ... 27,388
vii. Paper and Printed Matter	1,270,839	396,595	{ Lubricating Oil 166,132
viii. Wood and Coal	3,919,594	2,633,358	{ Beer, Stout, &c. 111,646
ix. Stone, Earthenware and Glass	553,178	152,940	{ Whisky ... 137,412
			{ Linseed Oil ... 45,264
			{ Printing Paper 67,199
			{ Writing " 54,377
			{ Books, &c. " 81,705
			{ Maps, & Photos. 82,841
			{ Coal ... 2,573,262
			{ Cement ... 46,049
			{ Chinaware ... 34,135

Category.	Total Value.	Share of United Kingdom.	Consisting chiefly of
x. Dyes, Tanning Materials, and Colour.	691,100	189,287	Colours ... 85,048
xi. Chemicals and Medicines and Perfumes.	3,345,751	808,473	Sulphuric Acid 444,493
			Caustic Soda ... 51,710
xii. Yarns and Textiles	18,845,836	13,064,858	Medicinal Preparations 150,413
			Household Soap 289,964
xiii. Metals and Metalware ...	3,742,635	2,481,495	Cotton Piece Goods ... 10,017,000
			Woollen and Worsted Piece Goods 1,045,000
xiv. Miscellaneous ...	1,128,767	416,160	Apparel and Underclothing. 437,000
			Cotton Yarn ... 278,000
Tobacco ... Included in "Other countries" ...	3,070,744	81,612	Hosiery of all kinds ... 130,044
			Iron and Steel Manuf. thereof ... 1,635,000
Totals ... £E.	47,409,717	21,840,957	Machinery ... 349,000
			Copper and brassware thereof ... 200,000
			Tin in ingots 103,000
			Manufactured Rubber 67,138
			Stationers' Sundries 28,821
			Toys and Games 33,188

British goods of the following kinds will sell well here :—

Article.	Nature of demand for.	Remarks or names of Chief Competitor.
Agricultural Machinery (Tractors, &c.).	Big ...	U.S.A.
Bags (leather) ...	Fairly good ...	
Bedsteads (4 posters) ...	Big ...	Brass for high-class users. Cheap iron most needed.
Beer ...	Better in Summer	Holland.
Bicycles ...	Good ...	Both ordinary and motor.
Boots and Shoes ...	" ...	
Bottles (of all sorts) ...	Big ...	Particularly for medicines, mineral waters, &c.
Brass and Copper Sheets	Good ...	
Carpets and Tapestry ...	Constant ...	
Cement ...	Big ...	Belgium.

Article.	Nature of demand for.			Remarks or names of Chief Competitor.
Chemicals	Big	...	...	Alum, ammonia, aniline salt, bicarbonates of potash and soda, caustic soda, cream of tartar, coppers, soda crystals, sulphate of ammonia, sulphuric acid, tartaric acid.
Cheap Confectionery ...	"	...	...	Japan.
China and Glassware ...	"	...	...
Cigarette Paper ...	Good	...	...	Supply on short side at present. For machinery.
Copper Bottoms ...	"	...	...
Cotton Piece Goods ...	Constant...	...	...	Blue especially, and black.
Cotton Waste ...	Good	...	...
Cutlery (cheap) ...	Big	...	...	Japan.
Dyes (Aniline)...	"	...	...
Earthenware ...	"	...	...	U.S.A.
Enamelware ...	"	...	...
Firebricks ...	Fairly good	...	...	Japan—Lamp and Table glass cheap lines.
Flour ...	Good	...	...
Glassware ...	Big	...	...	Both edible and for machinery. Particularly the mercerized article, coloured all over, i.e. not only round the border, suits the native taste.
Glue ...	Constant	...	...
Greases and Tallow ...	Good	...	...	Enamelled and earthenware. Japan.
Handkerchiefs ...	Very big	...	...
Hardware ...	Big	...	...	Before the war totalled 90% of import of Dyes. During the war. Black for newsprint.
Hosiery ...	"	...	...
Hoop Iron ...	"	...	...	Box-calf, calf, glace, patent, sole, suede and willow. See Bags and Boots, and Shoes.
Indigo (Synthetic) ...	"	...	...
" (Natural) ...	Steady	...	...	Especially 4-seaters, 4-cylinders, 15-20 h.p. Especially 4-seaters, 6-cylinders, 20-24 h.p. Ford cars are in good demand.
Inks (Printing) ...	Fair	...	...
Lace ...	Good	...	...	Castor, cylinder, engine, and motor oils. See Paint. Including colours, enamels, oils, and varnishes. Packing, printing, and writing paper.
Leather... ..	"	...	...
Leather Goods...	—	...	...	Glazed earthenware and stoneware.
Linoleum and Floorcloths.	"	...	...
Motorcars ...	"	...	...	Pitch and Tar ...
Mosquito netting ...	"	...	...
Oils (Linseed) ...	Steady	...	...	Plate Glass ...
" (Machine)...	Constant	...	...
" (Paint) ...	—	...	...	Good
Paint, &c. ...	Constant	...	...
Paper in general ...	Good	...	...	Good
Pianos ...	"	...	...
Pig Iron ...	"	...	...	Good
Pipes ...	Steady	...	...
Pitch and Tar ...	"	...	...	Good
Plate Glass ...	Good	...	...

Article.	Nature of demand for.	Remarks or names of Chief Competitor.
Plated Ware	Good	
Playing Cards	"	
Printing Inks	—	See Inks.
Provisions	Steady	United Kingdom trade well established here.
Ready made Clothing...	—	See below.
Safes	Good	Both the good and cheap qualities.
Sail Canvas	"	
Soap, household	Always good	
Starch	Good	Maize (not rice), starch from United Kingdom can compete.
Stationery	"	
Steel Bars (Plates)	"	
Tiles	"	White, 6" x 6", seconds quality
Tin	Steady	
Tinplates	Big	
Tubes	Good	
Ultramarine (Blue)	Poor	In laundry use; chiefly from France.
White Zinc	Good	
Window Glass... ..	"	Belgium supremacy challenged by only two United Kingdom firms.
Woollens	Enormous	In suitings. Any price paid. Supply from United Kingdom inadequate.

General Remarks.

Cotton Piece Goods.—It may be of interest to note that cotton piece goods which do not bear the familiar trademark of a big importer will not attract the native buyer, however good the quality may be. Manchester goods sold in Egypt are not marked (as in the Morocco trade) with the symbol adopted as his trademark by each of the big United Kingdom manufacturers or exporters; and the result is that it is immaterial to the native buyer whether the goods were made in Great Britain, France, Italy or Japan, so long as it bears the familiar symbol, such as a lamp or a torch, of an importer whose reputation for handling sound goods, and refusing to put his mark on inferior goods, is established.

Iron and Steel Trade.—Before the war the United Kingdom lost ground enormously, and small imports in 1919 were due not to foreign competition or lack of demand, but to the high prices prevailing in the United Kingdom and the uncertainty of delivery.

Japanese Competition.—This is chiefly noticeable in many lines of Textiles, especially *Cabots* similar to those which formerly came from Italy and used to go to the Sudan in large quantities, and which, owing to the excess of supply here are cheaper than they are in Japan.

Greys in imitation of English goods have been quoted at 60s. per 30 yards.

Hosiery.—Japan will probably keep the trade in cotton goods of this nature; *viz* :

Cotton Blankets, which look like woollen blankets, and which formerly came from Belgium;

Silk, which is cheaper here than the Indian article;

Singlets and cheap underclothing. A low-grade article which Lancashire would not touch.

Cheap *Enamelware* of the kind that used to come from Austria and Germany, is now coming from Japan; also cheap *Glassware* (lamp and table glass) formerly supplied chiefly by Austria and Belgium; *Clocks and Watches* of the cheap kind, more in competition with Switzerland than the United Kingdom; and *Linseed Oil* during the war.

Camphor is supplied almost wholly by Japan, but her present supremacy in wooden *matches* will probably give way to Sweden before long owing to the rise of prices in Japan. Matches have been imported from Japan only since 1914, when imports from Austria and Sweden were curtailed or prevented. Recent prices quoted for Japanese matches were £19 sterling per case C.I.F. Port Said; the sizes most in demand being medium, medium to small and vest-pocket. *Japanese beer* has proved a failure, also *Shaving Brushes* which were found to contain anthrax, but cheap *Bonneterie*, socks, studs, hair brushes, straw hats, &c., have a large sale here.

Nails, wire. The United Kingdom cannot compete with the article from Norway and the U.S.A.

Paper in general. The low qualities including strawboards come chiefly from Scandinavia.

Readymade Clothing is greatly in demand, especially overcoats, which are well made here, so that shoddy sells well. If United Kingdom firms could imitate the Viennese cut, send travellers to study the needs of the market and see what kind of goods are liked and made up locally, and then supply similar goods at reasonable prices, there is no reason why the market for ready-made clothing should not be captured by the United Kingdom.

Tractors for agricultural purposes. Motor tractors and tractor ploughs are badly needed owing to the scarcity and high price of labour cattle (bullocks which before the war cost £E14-16 per head now fetching £E75-80), but the policy adopted by the local agents or representatives of British manufacturers of holding sporadic demonstrations in the country districts is not conducive to bringing the machines in question to the notice of all the many farmers who are anxious to purchase. The remedy suggested is that the tractors, etc., imported into Egypt should be tested and

shown at work simultaneously on different soils in some central place, *e.g.*, Cairo, preferably under the auspices of the Ministry of Agriculture, so that all intending purchasers could attend and satisfy themselves by ocular evidence as to the capabilities of the rival machines already on the market, which consist of at least half a dozen different British makes, as well as American (Fordson Tractor), French, and Italian (Fiat). Negotiations for the realisation of such simultaneous demonstrations are in progress. No British manufacturer should have any reason for objecting to healthy open competition of this kind, unless he fears that his particular make of tractor or motor plough is incapable of competing successfully with his rivals, and it is of the utmost importance that makers of British agricultural machinery should afford intending purchasers here every possible opportunity of seeing their machines at work, as a tractor etc. which has been bought solely on the strength of an agent's glowing descriptions of its superiority over all others, and which fails to come up to the expectations so formed, will be sufficient to kill its chances of establishing a foothold in the market, if the buyer happens to be an influential native landowner.

British manufacturers should also furnish their representatives with an adequate supply of spare parts, accessories, etc., and with all possible data as to the fuel consumption, capacity, working and repair of their respective machines.

Pumps for agricultural purposes are also in great demand as native farmers and landowners who, in many cases, do not know what to spend their money on, are realising that purchases of this nature will afford them an excellent form of investment of some of their newly acquired wealth.

Representation of British Firms

For the sale of goods *for native consumption* it is difficult to improve on a local commission agent, whether British or Greek, provided he knows the country, language, and trade conditions, and has a large circle of clients whose tastes he studies on the spot. Unfortunately the British commission agent who takes the trouble to study native requirements at close quarters is very much the exception rather than the rule (which prevails in the case of Greeks).

In the sale of goods *for European use*, *e.g.*, machinery, a branch of the home firm is the best method, as expert salesmen, mechanics and a properly run show-room are needed.

NOTE.—In view of the reasons given at the outset of this report on the import trade of Egypt for 1919, no useful purpose will be served by entering into details as to foreign competition with the United Kingdom, and Japanese trade has only been mentioned specifically because of the phenomenal increase therein in recent years. Her total share of imports in 1919 is valued at £E1,729,164 as compared with £E2,533,967 in 1918 to which it rose from £E669,113 in 1917; the figures in 1916 were £E332,642; 1915, £E124,647; 1914, £E66,441; 1913, £E70,704.

Of her 1919 imports £E238,837 was for cotton hosiery, £E229,003 for silk cloths, £E124,599 for matches, £E91,484 for silk shawls, and £E130,922 for cotton piece goods (grey); the corresponding figures for the United Kingdom being:—£E82,722; £E14,922; £E627; £E2,567 and £E1,235,822 respectively.

Exports.

The increase in exports for 1919 over those of 1918 is not due solely, though largely, to a greater export of more valuable cotton, as only 3 out of the 14 categories show a decrease, while the export of cigarettes has increased over 40 per cent. As regards raw materials, the principal increases are in raw cotton, which has risen from 5,019,689 cantars worth £E38,034,467 to 6,708,906 cantars valued at £E65,441,901; hides and skins raw, from £E432,315 to £E694,490, and tanned, from £E176,699 to £E570,587; henna from £E5,917 to £E88,198; phosphates from £E19,914 to £E156,750; raw wool from £E103,841 to £E181,499, raw flax from £E29,128 to £E60,794; and rice from £E294,848 to £E550,590. Of the other principal articles of export, cotton seed, cottonseed cake, sesame, onions, ground nuts, cigarette paper and cotton piece goods, grey, show increases, while sugar and gum Arabic show decreases over 1918.

Of the total exports for 1919, viz., £E75,888,321, including cigarettes, the share of the United Kingdom was £E40,222,821, British India £E587,015, British Mediterranean Possessions £E292,875, Australia and New Zealand £E48,910, other British Possessions in the Far East £E34,667, in Africa £E26,134, and Canada £E1,854. Thus the British Empire's share in Egypt's exports totalled £E41,214,276, or nearly 55 per cent.

Exports to the United Kingdom consisted chiefly of 3,742,725 cantars of raw cotton valued at £E35,284,139 (which constituted an increase in value over 1918 of £E8,415,484, and an increase in quantity of 214,324 cantars); cottonseed £E3,013,806; onions £E336,272; cottonseed cake £E412,477; eggs £E276,409; raw wool £E175,517; and raw flax £E57,436; while cigarettes accounted for £E218,069 and hides and skins and leather for £E106,659.

Export to British Mediterranean Possessions consisted chiefly of leather £E88,811, rice £E79,122, and barrels £E12,632; to British India of sugar £E511,228, salt £E19,234, and cigarettes £E27,306; to Australia and New Zealand of phosphates £E36,049, and to British Possessions in the Far East and Africa of cigarettes.

The large increase in the value of the exports of raw cotton is mainly due to the sharp rise in prices, as a result of the abnormal American demand, from \$58 per cantar on 1st September, 1919, to \$98 on 31st October, while in the case of cottonseed cake the relatively disproportionate increase is due to the fact that only an insignificant export was allowed in 1918 owing to its value as

fuel in Egypt. As regards raw flax it is satisfactory to note that though this commodity had not been exported previous to 1917 the quantity and value exported rose from 244,854 kilos, worth £E29,128 in 1918, to 453,828 kilos worth £E60,794 in 1919.

5.—ADMINISTRATION.

During the early part of the second half of 1919 most of the various Boards set up for Government Control of Trade were either dissolved or absorbed by one or more Boards which are still in operation.

The Local Resources Board which was created in October, 1915, for the purpose of assuring Army supplies is now at work under the auspices of the Ministries concerned.

The Cotton Seed Control Board was at work from 12th August, 1917, to 14th July, 1919, for the purchase, sale to crushers, storing and shipment to the United Kingdom of the cotton seed crops of 1917-18 and 1918-19, prices being fixed at P.T.85 per ardeb both for purchase and for sale to local crushers.

The Cotton Control Commission was in operation from 1st August, 1918 to 31st July, 1919, and not only controlled prices, but also regulated the rations for each country of destination. It fixed the buying price at \$42 per cantar for F.G.F., and the sale price at \$48, and ensured business being done by buying the cotton on the day of its arrival in Alexandria. Cotton acreage had been fixed and controlled by the Egyptian Government before the Control Commission came into being, so that this branch of control was not included in its functions.

The Fuel Committee was formed on 24th June, 1917, for the reduction of the consumption of all fuels, and to extend the use of those other than coal throughout Egypt; its functions were transferred in August, 1919, to the Supplies Control Board.

The Controller of Kerosene was appointed by and under the Fuel Committee on 12th January, 1918, to control the supply, distribution and sale of kerosene for which a maximum price was fixed in June, 1917, of P.T.46 per 8 gallons in bulk Alexandria. His duties came to an end in May, 1919.

The Supplies Control Board began its work in March, 1918, for the regulation of supplies, distribution, prices, and sales of wheat, barley, beans and lentils, maize, millet, straw, rice, edible oils, sugar, molasses, spirit, cement and imports and exports in general. Tariffs were fixed by the Board during the war, and in the summer of 1919 these were renewed owing to the high cost of living, but had to be removed before the year was out owing to the impossibility of enforcing them. The supply, distribution, and price of Government flour (imported from Australia) and sugar are, however, still being controlled by the Board.

The Supplies Control Commission was formed at Alexandria as a branch of the above mentioned Board in June, 1918, to regulate supply, etc., of sugar, oil, wheat and flour, barley, beans and lentils, and straw, and is still controlling Government flour and sugar.

The War Trade Department, Import and Export Section, has been in existence since December, 1916, and, in collaboration with the Supplies Control Board, has regulated imports and exports by means of licenses. It is shortly to be merged into the Supplies Control Board.

The War Trade and Licensing Officer who was appointed during the war to control German, Austrian, Bulgarian and Turkish trade is now virtually one with the Public Custodian.

The export of eggs since the Armistice has during the egg seasons (*i.e.*, October to April) of 1918-1919 and 1919-1920, been under the control of a representative of the *Ministry of Food* in collaboration with the *Supplies Control Board* with a view to ensuring an adequate supply for local consumption.

A *Department of Commerce and Industry* for the fostering and furthering of the internal and foreign trade of Egypt and of its industries and production of raw materials has now been established.

6.—SOCIAL LEGISLATION.

Cost of Living.

The abnormal increase in the rents of houses and flats, whether for dwelling purposes or as offices, shops, business premises, etc., brought into being in the latter part of 1919 a Tenants' Union at Alexandria, whose object is to bring about some form of legislation which will limit the rapacity of landlords.

Excellent as the idea would seem to be, there is a strong opposition to it other than by landlords, viz., by those who hold the opinion that the reduction of rents by law will tend to discourage fresh construction of houses, and that the remedy for high rents, due as it is primarily to the abnormal shortage of accommodation (amounting to a deficit of 8,000 houses in Cairo alone) is that the Government should encourage the import of building material by waiving part of the normal import duty thereon, viz., 8 per cent. *ad valorem*, and levy no house tax on the new constructions.

Profiteering in foodstuffs, other than sugar and Government flour, and in clothing of all kinds, including boots and shoes, is rampant, and the annexed table of wholesale prices (to which a profit, when sold retail, of anything up to 300 per cent. must be added) will give a fair idea of the cost of living in 1919 as compared with 1917.

The problem has been tackled by the Administration of the Egyptian State Railways, the Post Office, and the native Govern-

ment employés at Kena, by the formation of co-operative societies and stores, which are able to sell foodstuffs, clothing, and household utensils to their members at prices considerably below market prices, and yet make a gross profit of about 20 per cent. to cover running expenses and the percentage of return on the members' shares, and to create a fund for the cheapening of other articles.

A renewal of tariffs on many of the foodstuffs and household necessities was attempted during 1919, but proved a failure owing to the difficulty, and in most cases the impossibility, of enforcing them, and it would therefore seem that indirect action in the form of a network of co-operative societies all over Egypt is the only means of bringing down prices and reducing the profiteers to reason.

As regards imported necessities in particular, the rise of wages and high freights must inevitably be set off against gross profits on their sale, but the reduction by legislation of the rents of shops, offices, business premises, stores, etc., added to competition on a large scale by co-operative societies, and the consequent diminution of their clientèle, should have the effect of making both wholesalers and retailers reduce their profits to a more normal level.

If the co-operative movement spreads and achieves its object, it is to be hoped that British manufacturers and exporters of foodstuffs, clothing, and household utensils, will see their way to entering into arrangements with societies of this nature for the supply to them of their requirements at prices which will not defeat their object, as firms who will do this will find a big market awaiting them.

7.—TRANSPORT.

Railways.

The post-war condition of the Egyptian State railways is that working expenses have increased very considerably; coal which was purchased at about P.T.123 per ton before the war now costs P.T.800. The prices of stores and permanent way materials are, in many cases, approximately four times as much as they were in 1913. Naturally the cost of labour has increased; it is now over $2\frac{1}{2}$ times more than in pre-war days. The State railways were unable to maintain their lines or rolling stock during the war, and have to make up heavy arrears, the situation being aggravated by the high prices now ruling.

No increase of passenger fares is contemplated, but in view of the heavy cost of working, it is probable that certain classes of goods will have to be charged higher freights. Every effort will be made to stave off increased freight charges on foodstuffs.

The only important extensions contemplated are the completion of the lines in Menoufieh; doubling the line between Mehallet-Roh and Mansourah, and a new line from Tanta to

Santa to give shorter connections with Port Said, Kantara and Alexandria. A new terminus is also in course of erection at Alexandria.

Inland Waterways and Roads.

The Inland Waterways of Egypt, other than the Nile and its branches, consist of canals, of which the larger ones in Lower Egypt are navigable throughout the year except from mid-December to the end of January.

Roads.—The extent of metalled main roads in Egypt outside the large towns is only 31 kilometres at present, with the result that motor transport, except in the summer, is limited by the rainfall to a very small area.

On 31st December, 1917, according to the latest available official statistics, there were 4,650 kilometres of agricultural roads in existence.

Shipping.

The present situation as regards shipping resolves itself into an acute shortage of passenger accommodation owing to the fact that homeward-bound liners from countries East of Suez are so booked up with passengers from India and the Far East that the passenger from Egypt is almost entirely dependent on the fortnightly services run by the Lloyd Triestino, Marittima Italiana, and Sicilia steamship lines. The first-named calls at Brindisi and Taranto between Alexandria and Trieste; the two latter at Genoa and Naples. The French Messageries Maritimes boats are very irregular, and as the transport service run by the British authorities during 1919 between Marseilles and Port Said, calling sometimes at Alexandria, has been stopped. It is Italian steamers that will reap the harvest during the coming season, unless some enterprising British shipping concern undertakes to inaugurate a frequent and regular service of fast passenger steamers between Alexandria and Marseilles, combining it with a cargo service between Alexandria and the United Kingdom, as it is impossible to live by passengers alone in the absence of a Government subsidy. It should also be borne in mind that the homegoing passenger season coincides with a poor homeward cargo season, and that outward-bound boats often bring very few passengers to Egypt during the summer months.

In view, however, of the probability that the intention of the Lloyd Triestino to run a weekly service for passengers during the coming season will secure for an Italian steamship line the virtual monopoly of the English passenger traffic, British shipping and commercial interests will suffer unless either the authorities can see their way to the renewal of the transport service or a new British shipping line steps into the breach.

As regards tonnage for exports to the United Kingdom and for British imports, cargoes have been amply catered for. Cotton has been shipped by the Ellerman, Moss, Owen Phillips, Prince Line, Furness Withy and Cunard boats, while there has been enough casual tonnage, in the shape of steamers chartered

in the open market, for the transport of cotton-seed, cotton-seed cakes, onions, &c., owing to the demand for Egyptian produce other than cotton not having been great. Had it been so, tonnage would have been short, as all the spare boats have been directed from the Mediterranean to the Plate in ballast in order to load Argentine wheat during December and January.

The reduced demand for Egyptian produce has been and is still due to a variety of reasons, amongst which may be mentioned the speculative holding of cotton-seed in this country and the congestion at ports in the United Kingdom. The former may result in a surfeit of tonnage for the export of this commodity during March, 1920.

In connection with the export of cotton in British bottoms, it is important to note that whereas formerly the bulk of the cotton for Japan used to be carried in British ships from Port Said, it is now almost entirely shipped by Japanese boats from Alexandria calling every six weeks.

Trade between the United States and Egypt is now catered for by four steamship lines (three British and one American), whereas before the war the American Levant Steamship Line—a British Company (now absorbed by the Cunard Line) was the only service between the two countries. The four steamship lines in question are the Ellerman-Bucknall, Furness Withy, Cunard, and the Independent Steamship Lines of New York—only the last-named being an American concern. The two first-named run from New York to the Mediterranean and back to Boston; the last two from New York to the Mediterranean and back.

Another post-war development is the Norwegian "North Africa and Australian Line" of cargo boats which call at Alexandria on their way eastwards and at Port Said on the homeward journey.

Sweden is represented by the Svenska-Orient Line which follows the same itinerary.

APPENDIX No. I.

MINERAL PRODUCTION OF EGYPT.

Year.	Phosphate Rock.	Petroleum.	Manganese Iron-ore.	Lead and Zinc Ores.	Nickel Ore.	Gold (fine).	Peridots.	Nitrate Shale.*	Carbonates and Sulphate of Soda.	Ochres.	Sulphate of Alumina.	Sulphate of Magnesia.	Talc.
Unit.	Met. T.	Met. T.	Met. T.	Met. T.	Met. T.	Ozs.	Kilos.	Met. T.	Met. T.	Met. T.	Met. T.	Met. T.	Met. T.
1913	104,450	12,786	—	7,156	—	4,602	49·5	4,740	—	—	—	—	—
1914	71,945	99,680	—	4,909	233	6,136	68·5	3,370	—	—	—	—	—
1915	82,998	30,054	—	2,988	—	7,096	—	4,271	—	—	—	—	—
1916	125,008	57,743	—	—	—	6,287	—	3,950	—	—	—	—	—
1917	115,732	136,845	—	—	—	3,319	—	4,347	3,527	—	—	—	—
1918	31,147	281,885	27,498	—	—	2,856	—	4,520	3,486	212	168	390	137

* Partial production, complete returns not available.

APPENDIX No. II.

INDEX NUMBER of WHOLESALE PRICES in CAIRO and ALEXANDRIA for the MONTHS OF DECEMBER, 1917-1919.

The Average Price of each commodity, during the period from January 1st, 1913, to July 31st, 1914, has been taken as 100, and the price of other months calculated as a percentage of that. The Index Number is the average of these percentages, without reference to the importance of each article.

Produce.	Cairo.			Alexandria.		
	Dec. 1917.	Dec. 1918.	Dec. 1919.	Dec. 1917.	Dec. 1918.	Dec. 1919.
Wheat, Middling and Com- mercial.	227	221	247*	232	226	248*
Beans	145	170	245*	224	178	251*
Lentils (whole)	127	167	236*	173	173	241*
" (split)	115	151	206*	180	145	196*
Barley	169	180	234*	215	193	247*
Maize	153	166	178*	164	187	196*
Millet	126	167	178*	—	170	178*
Helba	314	238	241*	318	240	240*
Sesame	235	218	327	202	151	252
Sugar	247	294*	294*	206	308*	308*
Molasses	—	168*	168*	148	158*	158*
Flour, Wheat, pure	251	248*	269*	235	244*	265*
" Maize	191	170	229	185	—	—
Groundnuts	163	175	323	226	211	284
Onions	187	94	284	223	87	314
Bananas	140	200	260	148	201	233
Dates	172	257	206	—	184	198
Oil (Sesame and Cotton Seed)	172	298*	304	171	312*	313
Eggs	205	243	248	187	228	267
Butter	146	201*	233*	170	200*	248*
Rice	151	166*	166*	144	162*	169*
Native Soap	405	444	373	201	360	288
Unrefined Spirit	179	179*	267	155	155*	233
Petroleum	211	203*	237	218	227*	264
Index Number	193	209	248	197	204	243

* According to Official Maximum Prices.